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MEMORANDUM FOR: Deputy Director for Administration
Director, National Foreign Assessment Center
Deputy Director for Operations
Deputy Director for Science and Technology
Administrative Officer, DCI

ODP # 0-551

FROM : Maurice Lipton
Comptroller

SUBJECT : Status Report on the 1982 CIA Budget (U)

1. The job of preparing a program and budget for the CIA in 1982 is one that will be substantially more challenging, for all of us, than has been the case in the recent past. I think we have reason to believe that it will also be substantially more rewarding. Although you and your components have been at work on the program submission since before the first of the year, we are still at an early stage in the preparation of the Agency program. What counts most to us are the decisions the Director will make this summer and in the fall and the President's decisions next December. (C)

25X1A 2. The biggest difficulty that we in the Office of the Comptroller have had in reviewing the component submissions has been the oversizing of programs through the current level. It seems to us that there is confusion as to what the "current" program means. The current level is a term of art in ZBB parlance meaning the amount of resources required in 1982 to carry out the program that the President approved in 1981 plus the added resources needed for the 1982 increment for programs approved at the DCI or DDCI level. Clearly the last clause accounts for the increase in SAFE in 1982 and the funding needed for the 1982 increment in [REDACTED] because of decisions made by the DCI. The current level does not include additional resources that are required to carry out added tasks and meet new requirements but which have not yet been approved in the budget process. These latter--which clearly require resources commensurate with the importance of the job--must be presented as an enhanced level. (S)

3. In 1981, a year where we did very well relative to preceding ones, the current level submitted by the components in the spring equated almost exactly to the 1980 program expressed in 1981 dollars plus an increase in SAFE alone. Such was not the case in 1982. The total at

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the Agency level of all current packages was [REDACTED] above zero growth. It looks like about [REDACTED] can be justified as programmatic increases within a properly defined current level. But, half clearly fails the test. Components were understandably trying to achieve, at the current level, resources they felt were needed to carry on the job as they saw it rather than the job as defined by the 1981 budget. (S)

4. Indeed, some seem to have concluded that they are not going to get anything in addition to the current level. Others seem to think that items deleted from the current program now will be lost forever. Neither of these need be the case. We fully intend to get a 1982 program with a lot of enhancements. In fact, the reason that we have to make certain that our current level meets the standard is that all of us have been pushing for sensible, defensible, needed initiatives. The reason the distinction is so important is that we want RMS and OMB to focus on the new initiatives needed for and fully justified by increased demands on intelligence. Unless they have complete confidence in our baseline program, the case for our enhancements will be much harder to make. In the material you get for the Executive Committee meetings on the budget you will see (as I can at this time) that the Agency has a very strong case for zero growth plus [REDACTED]. Our objective is, therefore, 10 to 15 percent real growth rather than a defensive posture to protect more limited funds at the current level. (S)

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5. I would appreciate your giving this memorandum appropriate exposure in your directorate. (U)

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Maurice Lipton

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